



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0506	Title:	Wildlife habitat conservation with oil and gas development
Primary Sponsor:	Phillips, Mike	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$197,200	\$162,800	\$166,870	\$171,042
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact:

The Board of Oil and Gas Conservation (BOGC) will need to hire 3.00 FTE and set up three offices to implement HB 506.

FISCAL ANALYSIS

Assumptions:

Department of Natural Resources & Conservation

Board of Oil and Gas Conservation (BOGC)

1. Consulting and determining best management practices would occur at the permit stage.
2. BOGC staff will process an average of 927 permits per year (six-year average).
3. It will take approximately six hours per permit to consult with commission, FWP, and landowners.
4. 927 permits/yr X 6 hours each = 5,562 man hours/yr to implement and continue HB 506 requirements.
5. This translates to 3.00 FTE to accommodate this workload.
6. The BOGC would hire 2.00 FTE wildlife biologists and 1.00 FTE administrative assistant. The estimated salary and benefits budget would be \$145,655 for the 3.00 FTE.
7. A 2.5% inflation factor is applied beginning in FY 2012.

8. One additional vehicle is needed for the landowner consultation wildlife biologist. The office wildlife biologist would utilize the office vehicle and would spend approximately 50 percent as much time as the landowner consultation wildlife biologist would in the field. The estimated vehicle cost is \$25,000.
9. Office set up and computers for the 3.00 FTE would be a one time cost of \$9,400.
10. Operating expenses for the additional FTE, including phone service, network service, supplies, travel, and fuel are estimated to be \$17,145 per year and inflated 2.5% beginning in FY 2012.
11. These costs will be funded from existing fund balance within the Oil and Gas Regulatory Account.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	3.00	3.00	3.00	3.00
<u>Expenditures:</u>				
Personal Services	\$145,655	\$145,655	\$149,296	\$153,029
Operating Expenses	\$26,545	\$17,145	\$17,574	\$18,013
Equipment	\$25,000	\$0	\$0	\$0
TOTAL Expenditures	\$197,200	\$162,800	\$166,870	\$171,042
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$197,200	\$162,800	\$166,870	\$171,042
TOTAL Funding of Exp.	\$197,200	\$162,800	\$166,870	\$171,042
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$197,200)	(\$162,800)	(\$166,870)	(\$171,042)

 Sponsor's Initials

 Date

 Budget Director's Initials

 Date